

EXTRA EDITION

The China Mail.

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THE WAR.

TO-DAY'S TELEGRAMS.

(Reuter's Service to the China Mail.)

BRITISH OFFENSIVE COMMENCED.

ON TWENTY MILE FRONT.

GERMAN FRONT LINE OCCUPIED.

LONDON, July 1.

Reuter's Correspondent at Headquarters reports that a British offensive along a front of twenty miles north of the Somme has commenced.

The assault was preceded by a terrific bombardment lasting an hour and a half.

Fighting is developing with intensity.

The British have already occupied the German front line and taken many prisoners.

The message bears to-day's date.

OPERATIONS IN EAST AFRICA.

FURTHER SUCCESS OF BRITISH FORCE.

LONDON, July 1.

A message from Handeni states that General Van der Venster on June 25 dislodged the enemy at Koudouyanga and took many prisoners.

The enemy's losses were very heavy and our slight.

NAVAL ACTION IN BALTIC SEA.

VIOLENT ALL NIGHT CANNONADE.

STOCKHOLM, July 1.

It is reported here that a violent cannonade was heard all night on the Swedish coast.

A steamer arrived reports that the crew witnessed a naval action outside Landsort Island, south of Stockholm.

A northern squadron of destroyers, presumably Russian, withdrew before a squadron of battleships.

GERMAN VERSION.

AMSTERDAM, July 1.

A German official naval communication states: A squadron of German torpedo boats attacked a Russian armoured cruiser, a protected cruiser, and five destroyers between Helsing and Landsort Island.

The Russians withdrew after a short engagement.

We suffered neither casualties nor damage, despite a heavy bombardment.

NEW WAR SECRETARY.

LONDON, July 1.

The Daily Chronicle states that the details of Mr. Lloyd George's appointment to the War Office have been settled. A perfect understanding exists between Mr. Lloyd George and the General Staff.

The appointment will involve changes in the Under-Secretaries at the War Office.

A new Minister of Munitions will be appointed.

THE VERDUN SECTOR.

DESPERATE FIGHTING AT THIAUMONT.

PARIS, June 30.

A communiqué states:—On the right of the Meuse there has been desperate fighting all day. In the Thiaumont region a brilliant French attack at ten in the morning terminated in the capture of a Thiaumont work.

Notwithstanding extremely violent counter-fire the Germans in the afternoon multiplied their efforts to dislodge us, and they suffered great losses.

An enemy attack succeeded in penetrating the work at three in the afternoon, but a vigorous counter-attack rendered us completely masters of the work.

There has been a continuous bombardment of Hill 304 region on the left of the Meuse, but no infantry actions.

VIOLENT ENEMY ATTACKS.

PARIS, June 30.

Another communiqué states:—The most violent attacks, preceded by intense bombardment, accompanied by liquid fire, between Avocourt Wood and Hill 304, were broken by our fire with heavy losses. East of Hill 304 the enemy, after numerous fruitless assaults, occupied a small fortified work on our first-line, the garrison of which were literally buried by the bombardment.

A brilliant counter-attack at dawn, however, recovered the position.

CONTINUED ITALIAN SUCCESSES.

ITALIANS TAKE MANY PRISONERS.

ROME, June 30.

A communiqué states:—There have been further gains in the Salsola, Sugana and Carnia sectors, and the Italians have captured 341 prisoners.

Between the rivers Adige and Brenta the Italians have now reached positions where the enemy had provided strong entrenchments and ample artillery and is prepared for a desperate resistance.

At Monte San Michele, in the Caiso region, a violent enemy attack was repulsed with sanguinary losses, and the Italians took 403 prisoners. The Italians also took 650 prisoners in the capture of two hills in the Monfalcone sector.

AMERICA AND GERMANY.

FURTHER ENQUIRY REGARDING TORPEDOED "SUSSEX."

WASHINGTON, July 1.

The State Department is preparing an enquiry to be presented to Germany asking what punishment has been inflicted upon the commander of the submarine that torpedoed the Sussex, the informal enquiry through the United States Ambassador at Berlin so far being unanswered.

ALLIES' FINANCIAL ARRANGEMENTS.

OTTAWA, July 1.

After conferring with the Canadian bankers, the Finance Minister of Canada enabled the Imperial Government a further credit of five million sterling, to be immediately available for the purchase of munitions and war supplies in Canada. The Imperial Treasury Bills being held as collateral security.

Advances amounting to thirty millions sterling have now been found by Canada to enable the Imperial Government to meet and commit war contracts.

NORWEGIAN BANKS AID BRITAIN AND FRANCE.

CHRISTIANIA, July 1.

The Norwegian Banks have contracted to lend Great Britain 24 million and France 14 million sterling, both for a period of two years, probably for the purpose of establishing exchange.

GREAT BRITAIN'S REVENUE.

LONDON, July 1.

The revenue for the financial year 1915-16 is estimated at £22,200,000,000, and the expenditure at £22,200,000,000.

EARL KITCHENER'S ESTATE.

REQUESTS TO RELATIVES AND PERSONAL STAFF.

LONDON, June 30.

The estate of the late Earl Kitchener has been sworn for probate at £171,420. The deceased Earl bequeathed £200 each to six members of his personal staff, including General Birdwood, and all his lands and estates in East Africa to Colonel Fitzgerald (his Military Secretary who perished at the same time as the late War Minister).

The bulk of the property, including Broome Park, Canterbury, goes to Commander Kitchener, deceased's nephew. The sum of £200 each is bequeathed to Colonels F. Maxwell and Oswald Fitzgerald, and £1,000 to Colonel Henry Kitchener (elder brother who succeeds to the Peerage).

The sum of £20,000 is left in trust to the deceased Earl's nephew Henry Kitchener, and £5,000 in trust for his half-sister, Letitia.

The swords-of-honour and other gifts from public bodies devolve as heirlooms in settled estates.

A KITCHENER LETTER.

SOLD FOR THE BENEFIT OF RED CROSS FUNDS.

LONDON, June 30.

The late Earl Kitchener's letter calling for 300,000 recruits for the New Armies has been sold for the sum of £5,000 for the benefit of the Red Cross Fund.

Mr. Thomas Fenwick Harrison, a retired Liverpool merchant, has presented the document to the Nation.

DEGRADATION OF A TRAITOR.

CASEMENT DEPRIVED OF HIS HONOURS.

LONDON, June 30.

His Majesty the King has ordered the degradation of Roger Casement, condemned to death, from the Order of Knighthood, and the enasure of his name from the register of the Order of Saint Michael and Saint George.

APPLICATION OF SCIENCE TO COMMERCE.

A SPECIAL COMMISSION OF ENQUIRY.

LONDON, July 1.

At a meeting at the Imperial College of Science Lord Crewe said the Government were appointing a very strong Special Commission to inquire into the teaching of science especially with a view to its application to Commerce and Industry. Lord Crewe will be the Chairman of the Commission.

AMERICA AND MEXICO.

AMERICAN COMMANDERS ACCUSED OF BAD FAITH.

WASHINGTON, July 1.

A Mexican Foreign Office memorandum, replying to Mr. Lansing, protests against the overbearing tone of the United States Notes, declares that the United States is not entitled to maintain troops in Mexico, their presence encourages and does not prevent bandit raids on the border, and finally accuses the United States commanders of bad faith.

CHINESE POLITICS.

PEKING, June 30.

The Provisional Constitution of 1912 has been restored, pending the convocation of Parliament on August 1st, and the Provisional Government has been re-established. The Emperor, according to the Allies' preference, is expected to remain on the general staff, pending the restoration of the monarchy.

LEGAL PROBLEMS OF THE WAR.

LONDON, July 1.

The House of Lords has allowed an appeal against the decision by the Appeal Court in the case of the Daimler Co. versus the Continental Rubber Co. that a company registered in England, though all directors and shareholders are alien enemies, is entitled to sue in the British Courts.

EARLIER TELEGRAMS.

THE WESTERN FRONT.

BERLIN NEWS.

AMSTERDAM, June 30.

A Berlin telegram says that a heavy artillery duel is proceeding from La Bassée to the Meuse.

L'Echo de Paris says the Germans are bringing up to the Western front new batteries of long-range guns of especially heavy calibre.

BRITISH TROOPS IN HIGH SPIRITS.

BRILLIANT EXPLOIT BY HIGHLANDERS.

LONDON, June 30.

Reuter's Correspondent at Headquarters says the troops are in the highest spirits as a result of the activity following upon the inaction during the winter, and are very keen to make rushes upon the enemy trenches.

The troops officially mentioned as doing especially well include the Highland Light Infantry, the Australians, the Lancashire Fusiliers, the Liverpool and the Oxford and Bucks Infantry.

A brilliant exploit was that of the Highlanders who pierced the enemy front at Vermelles, and after a prodigious employment of bayonets and grenades and various fancy weapons, brought back 40 prisoners and two machine-guns. Only two Highlanders were wounded.

Heavy intermittent rain has not facilitated the work of the artillery, but reports from prisoners and aerial observers show that its destructive effects were terrible.

TRENCHES WATER-LOGGED.

The Times correspondent at Headquarters says the ground is deep in mud and the trenches are water-logged. We have nowhere attempted to hold and consolidate the ground won; our object has been to inflict local losses.

BULGARIA'S FINANCES.

THE GROWING NATIONAL DEBT.

AMSTERDAM, June 30.

A Sofia telegram says the Bulgarian Budget estimates a deficit for the year of 24,000,000 sterling. The National Debt at the end of the year will amount to 28,000,000.

A POST-WAR SUGAR SCHEME.

LONDON, June 30.

The Hon. W. M. Hughes, Prime Minister of Australia, called for a debate on the 24th inst. Before his departure he participated in a deposition to Mr. Bonar Law, in which the Imperial Government was urged to adopt a sugar scheme prohibiting the import of any sugar for five years after the war, and thereafter subjecting it to a general tariff plus 60% surtax, imposing the general tariff on sugar imported with surtax against spirits who desire to re-export. The Empire exceeding the Allies' preference, no exporting of sugar from the general tariff, pending the restoration of the monarchy, is proposed.

AMERICA AND MEXICO.

THE AMERICAN PREPAREDNESS CAMPAIGN.

MEDIATION WITH MEXICO DECLINED.

WASHINGTON, June 30.

Congress has passed Bills authorizing the transfer of Militiamen to the regular Army and appropriating \$77 million dollars for their transportation to the border which is proceeding apace.

The Ministers of Bolivia and San Salvador have again offered their services as mediators, but Mr. Lansing has declined to discuss the matter until the prisoners are actually released and General Carranza's reply has been received.

A KUT INCIDENT.

GRAHAMSTOWN, June 30.

A private letter from a British Colonel in Mesopotamia states that the Turkish Commander at Kut-el-Amara and General Townshend immediately recognised each other as school friends in France.

THE RUSSIAN PROBLEM.

A writer in the "Outlook" of the last mail has this reasoned statement of the position which seems well borne out by the wires after the attack.

The German will not meet in the coming contest in the East quite the same foe that he left in semi-stricken state in September 1915. One of the remarkable spectacles in a war which has been so many extraordinary things was the re-establishment of the Russian battle line all along the front after four months of enforced retreat. No tale in war will ever equal the story of endurance of those brave men who were condemned to live under a hellish hail of fire without the means of retaliation. Our Ally, stricken as he has been, was not struck down. His armies remained intact and unbroken, though shaken though they were. Their great friend, the elements, came again to their support, as it did eight centuries ago, and the opposing forces along the front of 100 miles were left at best in a state of unstable equilibrium. A glance back at the position of the opponents as they stood in September 1915 will find but little change in May 1916. Three distinct steam rollers were slowly being driven from the West in the direction of Petrograd, Moscow, and Kiev. It was in the latter sector that the Austro-German advance was first arrested. They had reached the Sereth river. General Ivanoff, we may remember, surprised them in the neighbourhood of Tarnopol and threw them back upon the Strypa. The contest in this southern sphere has raged and swayed backwards and forwards, but the main aim of the German war directing staff has been foiled. The enemy has been denied the full value of the entire length of railway that runs north to south from Riga to Rowno on the western confines of Old Russia. His means of lateral communication for his armies in the Eastern theatre are incomplete—a heavy handicap. In the redistribution of the forces of the Central Powers this southern sector of some 260 miles is apparently entrusted to the charge of the Austro-Hungarian Army. The absence of a German leaven in this direction might reasonably suggest that a decision is not sought by them in this sphere.

The central sector, of which the Pripiet defines the southern boundary, threatens the route to Moscow. It has enormous physical difficulties of terrain to encounter, should an offensive be proposed. On the other hand, it has in possession a good hold of the Russian railway system in its rear, affording both direct and lateral communication. To this we may be certain, has been added a supplementary system, constructed most probably by prisoners, both peasant and soldier.

The northern sector, which embraces the country between Riga and Dvinsk on the river Dyvina, thence to Vidzy and Smorgon, will recall the scene of the hammer blows of von Hindenburg in his great attempt to pierce the line to Petrograd. The Germans have not yet abandoned hope of circumventing the defences of the Dyvina. In this sector there have been successful offensives must be higher than elsewhere. The point of Liatava, where they have done so excellently, has provided that they have numbers of the war, while the great attack on Rowno, which followed on the heels of the attack on Riga, has been a very serious blow. The old Field-Marshal Hindenburg, who has suffered his traditional defeat, has been replaced by the new Field-Marshal, who has been appointed to the command of the Northern Army.